Industrial Energy Consumers of America (IECA)

The Energy Voice of Industrial Energy Consumers

NEWS RELEASE

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IECA Supports the “Energy Tax Prevention Act of 2011

The Industrial Energy Consumers of America (IECA), a trade association of manufacturing companies - support the “Energy Tax and Prevention Act of 2011”.

IECA is a nonpartisan association of leading manufacturing companies with $800 billion in annual sales and with more than 750,000 employees nationwide.

The US manufacturing sector has lost 5.4 million jobs or 31% of its workforce since 2000 due to loss of global competitiveness and we do not want to lose another single job - especially because of regulation. “When is the US going to wake up? Mandates that increase manufacturing costs directly impact our global competitiveness,” said Paul N. Cicio, President of the Industrial Energy Consumers of America (IECA). “Instead, Congress (and the EPA) should support cost effective policies to promote industrial and building energy efficiency such as removing barriers to combined heat and power and waste heat recovery.”

While the manufacturing sector continues to rebound, it continues to lose competitiveness as evidenced by recent trade data. The Commerce Department reported on February 11, 2011 that the 2010 trade deficit rose to almost $498 billion, a 32.8 percent increase. The largest percent gain in a decade. China represented nearly 55% of the trade deficit.

The EPA GHG regulation is an example of a regulation that creates uncertainty and discourages investment. And, when added to the many other new EPA regulations, it is understandable why corporate America is sitting on two trillion dollars of cash and not investing it here.

The irony is that the manufacturing sector places a higher priority on energy efficiency than any sector of the economy – yet we disapprove of EPA’s GHG regulations that set maximum achievable control technology standards on energy efficiency.

Under EPA’s regulations, EPA takes decision making out of the hands of manufacturing and:

- Mandates “when” capital must be spent on energy efficiency technology projects;

- Mandates “what” energy efficiency projects will be completed, even if it is inconsistent with the scope or timing of other manufacturing production plans or business strategies or priorities;
- Mandates “what technology” will be used, placing energy efficiency performance before other criteria like unit cost, product quality, and flexibility of operating the production process- which will lead to higher overall costs;
- Mandates what manufacturing “practices” will be used to operate the facility, taking decision making out of the hands of plant managers and into the hands of the EPA.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with $800 billion in annual sales and with more than 750,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, advocacy, and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.